

## Message Text

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70

ORIGIN EB-07

INFO OCT-01 EA-09 ISO-00 DOTE-00 CAB-05 L-03 CIAE-00

COME-00 DODE-00 INR-07 NSAE-00 FAA-00 NSC-05 SS-15

FEA-01 /053 R

DRAFTED BY EB/OA/AVP:SCKEITER:JO

APPROVED BY EB/OA:MHSTYLES

EB/OA/AVP:AJWHITE

EB/AN:WBCOBB

EA/ANP:HNELSON

DOT:DSCHROEDER (INFO)

CAB:RASMITH (INFO)

L/EB:TJTALLERICO

EB/FSE (INFO)

----- 000985

R 230050Z DEC 75

FM SECSTATE WASHDC

TO AMEMBASSY CANBERRA

INFO AMCONSUL MELBOURNE

UNCLAS STATE 301222

E.O. 11652: N/A

TAGS: EAIR, ENRG, AS

SUBJECT: CIVAIR - AVIATION FUEL PRICING

REF : CANBERRA 8115 AND PREVIOUS

1. MISSION'S REPORTING THIS SUBJECT MUCH APPRECIATED.
  2. AT PRESENT DEPT SEES NO BASIS UNDER INTERNATIONAL AGREEMENTS FOR ATTACKING AUSTRALIAN PRICE-FIXING IN PRINCIPLE. BILATERAL PROVISIONS ARE DIRECTED AT TAXES, NOT PRICES. MOREOVER, ALTHOUGH PRACTICAL EFFECT IS INDISPUTABLY DIFFERENT, U.S. ALSO CONTROLS PETROLEUM
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PRODUCT PRICES.

3. DISCRIMINATION IS POTENTIALLY DIFFERENT MATTER.  
APPRECIATE MISSION'S KEEPING US UP TO DATE RE POSSIBLE  
VOLUME BREAKPOINT FAVORING QANTAS.

4. WITH REGARD EXISTING THREE-TIER SYSTEM, UNLESS  
MISSION SEES OBJECTION, PLEASE SUBMIT FOLLOWING NOTE TO  
MFA:

...REQUEST THAT IF THE GOVERNMENT OF AUSTRALIA WISHES  
TO FIX THE PRICE OF AVIATION FUEL USED IN INTERNATIONAL

AVIATION, IT SET A SINGLE MINIMUM PRICE.

THE PRESENT SYSTEM OF THREE PRICES, ONE FOR MOST  
SCHEDULED AIRLINES, ANOTHER FOR SOME OTHER SCHEDULED  
AIRLINES, AND STILL A THIRD FOR CHARTER-ONLY AIRLINES,  
MAKES IT DIFFICULT FOR THE LESS-FAVORED LINES TO  
COMPETE FOR CHARTER TRAFFIC WITH THOSE U.S. AND  
AUSTRALIAN LINES PAYING A LOWER PRICE. THE UNITED  
STATES TRUSTS THAT THE GOVERNMENT OF AUSTRALIA SHARES  
THE VIEW THAT BOTH COUNTRIES' AIRLINES SHOULD HAVE A  
FAIR AND EQUAL OPPORTUNITY TO COMPETE FOR CHARTER  
TRAFFIC, JUST AS FOR TRAFFIC ON SCHEDULED SERVICES.

IT HAS BEEN SUGGESTED THAT THE DIFFERENCES IN GOVERNMENT-  
SET PRICES ARE ONLY INTENDED TO REFLECT THE ADDITIONAL  
COSTS TO SUPPLIERS OF MAKING SMALL, IRREGULAR DELIVERIES.  
IN THAT CASE IT WOULD SEEM APPROPRIATE TO LEAVE THE  
DETERMINATION OF WHO GETS WHAT PRICE TO THE MARKET  
MECHANISM, SETTING ONLY A MINIMUM PRICE. AN IMPOSED  
SYSTEM OF PRICES CANNOT HOPE TO DUPLICATE EXACTLY THE  
NUANCES OF A MARKET-DETERMINED SYSTEM.

THE UNITED STATES GOVERNMENT HOPES THAT THE GOVERNMENT  
OF AUSTRALIA WILL FIND IT POSSIBLE TO TAKE PROMPT  
ACTION IN THIS REGARD, DESIRABLY BEFORE THE FIRST  
BILLINGS UNDER THE SYSTEM ESTABLISHED DECEMBER 1, SO  
THAT THAT SYSTEM DOES NOT ACQUIRE THE PSEUDO-RESPECTA-  
BILITY OF A DE FACTO SITUATION.

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5. CHANGE IN GOVERNMENT MAKES PRESENT APPEAR HERE AS  
EXCELLENT TIME TO SUBMIT NOTE, BUT IF ON-SPOT REVIEW  
SUGGESTS COUNTER-INDICATIONS, PLEASE LET US KNOW. FOR  
EXAMPLE, NEW GOVERNMENT MIGHT BE ON VERGE OF SCRAPPING  
WHOLE ATTEMPT TO ACHIEVE "WORLD PARITY PRICE". MISSION  
COMMENT ON OTHER POINTS ALSO WELCOME. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AIRCRAFT, GASOLINE, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 DEC 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Unique ID:** 00  
**Drafter:** SCKEITER:JO  
**Enclosure:** n/a  
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**Errors:** N/A  
**Film Number:** D750444-1228  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1975/newtext/t19751218/aaaaaprn.tel  
**Line Count:** 114  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN EB  
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**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
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**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 CANBERRA 8115  
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**Review Authority:** KelleyW0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 18 JUN 2003  
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**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CIVAIR - AVIATION FUEL PRICING  
**TAGS:** EAIR, ENRG, AS  
**To:** CANBERRA  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006